Futures Forum Summary
Assessing Customer Satisfaction with Virginia Government Services

Friday, July 23, 2010
Capital One, West Creek Campus, Richmond, VA

Forum Overview

The purpose of the forum was to help establish an approach for assessing and improving customer service in government operations in Virginia. The forum was structured to review successful customer service initiatives in public- and private-sector settings and to explore the opportunities and issues related to enhancing customer service in state government.

Introduction and Framework

Opening remarks were provided by Ms. Heather Cox, Chair of the Customer Service, Performance, Accountability, and Transparency Committee of the Governor's Commission on Government Reform and Restructuring. Ms. Cox is Senior Vice President of US Card Customer Operations for Capital One. Attachment A is a list of attendees with contact information.

An introduction to the purpose and framework of the forum was provided by Ms. Jane Kusiak, Executive Director, Council on Virginia's Future (JaneKusiak@virginia.edu).

- One of the core goals of the Council on Virginia's Future is to help improve the assessment of state services. Virginia Performs (www.VaPerforms.virginia.gov), the Commonwealth's performance leadership and accountability system, provides a structured approach to improving outcomes and transparency by linking an array of agency performance measures with important long-term goals.

- The Council works closely with state leaders to continually improve the value and effectiveness of these performance metrics. As the system has evolved, the Council has sought to develop a useful assessment of government operations at the "enterprise" level, that is, across all agency services and activities conducted on behalf of Virginia citizens. The ability to assess citizen satisfaction remains an important issue in further developing a complete operations scorecard.

- Governor McDonnell recently established the Governor's Commission on Government Reform and Restructuring to identify opportunities for creating efficiencies, eliminating redundancies, implementing innovative service delivery approaches, and improving the focus on core missions. An important task for the Commission is to examine ways for state government to be more transparent, user friendly, and accountable. The Commission's Committee on Customer Service, Performance, Accountability, and Transparency is exploring opportunities to improve customer service levels in state government.

- This forum was developed in support of these joint goals. Specifically, the goals for the forum were to:

  ‣ Review successful customer service initiatives in public- and private-sector settings.

  ‣ Review work being done in Virginia's state government to assess and improve customer service.

  ‣ Explore insights gained and remaining questions.

- Assessing and improving customer service at the enterprise level of state government are complicated by a number of factors, including the scope and variety of services that reach every citizen and business across the Commonwealth and the diverse nature of the infrastructure delivering those services. Customers include those served directly by state-run programs, point-of-service customers served through non-state intermediaries, and internal customers.

- Most agencies are taking steps to assess and improve customer satisfaction. For instance, at least 16 agencies include direct measures of customer satisfaction, and many more include measures of customer service such as transaction "cycle times," processing accuracy, and wait times. A brief survey of some of the agencies with significant direct interaction with customers suggests that they all have long been using an array of methods and approaches for assessing and improving customer satisfaction.

Other Presentations

Presentations are available at the Council on Virginia's Future website: http://www.future.virginia.gov/FuturesForums.php.

Mr. Donald Busick, Managing Vice President, Customer Operations, Capital One (don.busick@capitalone.com)

- Capital One has transformed its approach to customer service in just a few years and has seen significant improvements in customer service, cost structure, and other business results. This major, global change initiative was structured around three pillars:

  ‣ Aligning the organization around the customer experience: Deploying a single-minded focus on customer satisfaction included a significant and visible commitment by executive management and establishing appropriate performance goals for all associates. Supplier contracts and scorecards were redesigned to support customer service goals, and enhanced training was provided to associates working with key customer segments.

- ‣ Moving customer servicing online: The goal was to make a massive shift to electronic statements and payments by delivering new capabilities and increasing online functionality and usability. This led to a rapid growth in account statement "suppression" rates (that is, an increased reliance on online statements as opposed to mailed statements) and online customer satisfaction. New capabilities include online chat capabilities and the planned development of mobile banking.

- ‣ Leveraging technology to deliver a modern infrastructure: New technologies are improving customer service through better automated call answering, intelligent call routing, and call recording, monitoring, and analysis.

Ms. Diana Sun, Director of Communications and Assistant County Manager for Public Affairs, Arlington County (dsun@arlingtonva.us)

- • Measuring citizen satisfaction at the enterprise level (from the county's perspective) is important because typical channels of communication can sometimes lead decision-makers to overemphasize specific issues or problems compared to real need. Arlington County conducted countywide citizen satisfaction surveys in 2004 and again in 2008.

- • While services were rated highly both times when compared to a national peer group, the surveys provided useful information to county executives and managers about current successes and opportunities for improvement. The surveys also provided feedback on what citizens considered most important for the county to address. This led to a more informed assessment of where to devote limited county resources for service improvement.

- • The survey process used multiple channels to solicit survey responses and great effort was expended to ensure a strong statistical sampling of population segments and different neighborhoods.

Mr. Robert Schultze, Director, Virginia Retirement System (rschultze@varetire.org)

- • VRS serves about 600,000 individuals and administers a number of pension and insurance programs. Demand for services is increasing and VRS has undertaken three significant customer service initiatives in the last five years:

  - ‣ Reengineering the contact center: This involved installing a new phone system in 2005 and improving key business processes for the center, including routing calls to the most appropriate agent, improved training, faster information availability, call recording, and predictive call volumes for better staffing.

  - ‣ Improving online self-service: Registrations for *myVRS* online services continue to grow. For instance, the ability of workers nearing retirement to run "what-if" projections on pension benefits has significantly reduced administrative paperwork.

  - ‣ Continuous improvement of customer service: VRS is embarking on a major four-year effort to revamp the entire customer service infrastructure, including replacing obsolete technology, reengineering business processes, integrating third-party administrators for customer service tasks, streamlining application processes, and integrating "back office" with "customer facing" functions.

- VRS employs a range of methods for assessing customer satisfaction and uses a national pension benchmarking service to help focus improvement efforts.

Mr. Larry Durbin, Assistant Commissioner of Customer Service, Department of Taxation (larry.durbin@tax.virginia.gov)

- The Virginia Department of Taxation collects about $17.3 billion per year; "customers" include 5.3 million individuals and 5.5 million businesses dealing with about 20 different types of taxes. As with the other organizations presenting here, Tax Department customers use a wide variety of communication channels for a range of activities.

- Tax tracks a number of customer service-related measures, including mail turnaround times, rates of call abandonment, online transaction volume, and system availability. Tax has also implemented a number of quality measures.

- The agency has embarked on a number of web-based initiatives for both individuals and businesses, including electronic filing and payments processes. Other web-based services include Quick Pay, Teleplan (to set up partial payment schedules), Live Chat, Secure E-Mail, Refund Status Tracking, and e-Subscriptions to improve communications.

- Tax also employs a range of methods for assessing customer satisfaction and uses the information to isolate systemic problems, identify training needs, and better target improvement efforts.

Ms. Diane Boothroyd, Principal (diane.boothroyd@northhighland.com), and Mr. Mark Vita, Principal (mark.vita@northhighland.com), The North Highland Company

- Key customer service satisfaction attributes include accuracy, speed, experience, empathy, exceptions, and expectations. These will vary in important ways from agency to agency.

- While "sales" aren't usually a goal of state agencies, improving customer satisfaction can also mean increased online transaction volumes and improved rates of accuracy that can lead to large cost reductions. Setting clear goals relevant to the organization is vital.

- Improving the customer service experience includes knowing your customers and their needs, understanding what needs to be fixed, and building a culture and infrastructure to sustain the customer satisfaction improvement process.

Overall Summary

The goal of improving customer service appears to be widely embraced by state agencies. At the same time, the presentations suggest that an enterprise approach could enhance agency-driven efforts and generate long-term gains in both effectiveness and efficiency.

While the organizations represented by the presenters are exceptionally diverse, several themes for improving customer satisfaction emerged:

- **Executive Leadership**: Improving customer service requires a strong, visible, and ongoing commitment by executive leadership. At Capital One, senior executives continually emphasize the importance of customer service through town hall meetings, regular communications, and a consistent, visible commitment to what is a key global initiative. The director of the Virginia Retirement System reviews customer calls with staff to emphasize the importance of quality and best practices. In Arlington County, executives work directly with department leadership to review the results of citizens surveys and to develop plans for improvement.

- **Organizational Culture**: Improving customer focus starts at the top -- but that commitment must be carried through the organization in ways that align behaviors and competencies with customer satisfaction goals. For instance, reward systems and training programs need to reinforce and support a focus on customers. It was noted that it was important also to align the work of vendors and third-party service providers with customer service objectives through contract provisions and performance targets.

- **Assessing Performance**: Each of these customer service leaders noted that it is important to assess customer service accurately and that this is not a simple process. Metrics and performance data need to be structured to reveal the key drivers behind customer satisfaction levels. Measures of quality and effectiveness are vital and need to reinforce the right behaviors. For instance, a strong focus on productivity (such as calls handled per hour) might have a negative impact on the quality of the customer experience.

- **Understanding the Customer**: While this seems of obvious importance, the diversity of each of these organization's customers and their needs make it a difficult task to get right. Correctly characterizing customer segments is one of the critical success factors in designing an effective and efficient customer service system. Presenters emphasized the importance of being able to align their response to the specific needs of a customer, with the goal of getting the customer to the service agent with the right competencies and information to meet those needs quickly and effectively. Characterizing and segmenting customers can be as much an art as it is a science. The idea of defining typical customer "personas" was cited as a useful way to approach the segmentation process, something that Volvo, for example, was cited as doing well.

- **Expanding Use of Technology**: Rapid advancements in technology are enabling entirely new avenues for improving customer service and efficiency. The growing acceptance of online services is perhaps the most visible trend in this regard, and each of the presenters emphasized the importance of their electronic services to future business and customer service goals. To make this channel even more appealing, organizations are adding "online chat" capabilities that connect a customer with a service agent during a web session. Online customers prefer to stay online if they can, and working directly with an agent not only allows the customer to learn how to navigate the system but helps the provider better understand problems with their site design. New technology is also making phone communication more convenient and efficient. Capital One noted that they were using a new technology that allowed them to significantly improve their analysis of customer call quality and the root causes behind service issues.

- **Continuous Improvement**: The presenters emphasized the importance of viewing the improvement of customer service as an ongoing journey. Customers and their expectations evolve, technology moves ahead, and services continue to change. It was also noted that it might take three to four years for customers to significantly change their perception of the organization's level of customer service.

Attachment A
Futures Forum on Customer Satisfaction
Attendee Contact Information

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